tax bill down to $7,900, the same as the Campbell-Clarks. Therefore, the Allens suffer a marriage penalty of about $1,300 each year.

The marriage penalty relief provision included in last year's tax bill would have eliminated this marriage penalty and reduced the tax bill of the Allen family down to the same level paid by the Campbell-Clarks. However, by doing so it would have left behind the Brown family, who would still be paying income taxes of $9,200 per year.

This is not fair. We must not, in the name of fairness, fix the marriage tax problems of one category of families, but not another category. It is true that the Browns do not suffer a marriage penalty, but why should they pay higher taxes simply because their family income is earned by one spouse and not two?

There are approximately 210,000 couples in my home state of Utah, who, like the Allens, suffer a marriage penalty. However, there are also about 108,000 couples in Utah who are like the Browns, and would be left behind by marriage tax relief like we passed in 1999.

This is why this year's marriage penalty bill is superior to last year's. The bill before us today lowers the tax burden of both the Allen family and the Brown family. It alleviates the marriage penalty and the one-earner penalty. It does not leave any family behind.

In essence, the Internal Revenue Code results in marriage tax penalties and bonuses because it pursues three conflicting ideals or principles—marriage neutrality, equal treatment of married couples with the same household income, and progressive taxation.

The ideal of marriage neutrality states that a couple's tax liability should not be determined based on their marital status. In other words, there should not be a tax incentive either to marry, to remain single, or to divorce. Under our example, current law does penalize the Allen family, because they would pay about $1,300 per year less if they were to divorce and live together. That is ridiculous. We want to encourage people to live together in marriage.

The equally important principle of equal treatment holds that married couples with equal incomes should pay the same amount in taxes without regard to how much each spouse contributes to the couple's income. Under this principle, the Allens and the Browns should pay the same tax since they are both married with identical family incomes. Currently, they do pay the same, but this principle would be violated if we did not also lower the Browns' tax while fixing the Allens' marriage penalty.

Progressive taxation is the principle that those with higher incomes should pay a higher percentage of their incomes in taxes than is required of those with lower incomes.

It is mathematically impossible for the Tax Code to achieve all three of these tax policy ideals simultaneously.

One of the three objectives must be sacrificed. If we continue to insist on a progressive tax system, we cannot solve both the marriage penalty and the one-earner penalty. Simply put, last year's marriage penalty relief provision did solve the marriage penalty, but it violated the one-earner penalty. The bill before us today does not totally solve the marriage penalty, but it greatly alleviates it for most families. And, it does not create a one-earner penalty. All in all, it represents the fairest approach for the most families in our country.

As long as we have a progressive tax system, we will never achieve total family tax fairness. Therefore, no marriage tax penalty bill will be perfect. While making tremendous progress toward marriage penalty relief for most families, the bill before us leaves some serious marriage penalties in place.

For example, the current-law student loan interest deduction provision penalizes married couples struggling to pay off student loans. In February, the Senate passed an amendment to the education tax bill that Senator MACK and I offered that would have eliminated this problem. I had hoped to add that provision to this bill, but it would not be germane under the reconciliation rules. I hope we can take care of that problem in another tax bill later this year.

President Clinton has given strong indications he will veto this bill because it gives tax relief to families who do not suffer from marriage penalties. This is a shortsighted point of view that ignores the structure of our tax system and the needs of American families.

In fact, it kind of makes me wonder whether President Clinton's real concern is the idea of cutting taxes. He has made no secret of his opposition to tax cuts. He has fought us every step of the way in our efforts to return a portion of the budget surplus to those hardworking Americans who produced it.

But, I will be very sorry if a Presidential veto denies American families even this tax cut which is not being made for its own sake, but rather to correct a longstanding inequity in the Tax Code.

I implore the President to reconsider that all American families need fair and substantial tax relief—those where both spouses work outside the home as well as those where one parent stays home. I hope he will sign this bill into law.

And, allow me to say just a word about parents who forego outside income to remain at home. Everyone in this body knows that I believe we must have adequate child care for those families who need it. I have worked with my Republican colleagues and my Democratic colleagues across the aisle on child care legislation. But, I cannot say emphatically enough that the best

child care is still provided by a parent. I have yet to hear a single Senator disagree with that. Yet, our Tax Code penalizes a family in which one parent makes this choice to stay at home with their children.

I am glad that my wife stayed home with our children. She did work in the early years of our marriage as a grade school teacher, but she stayed home virtually all of the time our children were growing up, and I think it shows.

It is high time we fix this problem. It is high time we correct the marriage penalty for both the Allens and the Browns in Utah, and families like them all over the country. Today, we have the means to do it. I say to my colleagues on the other side of the aisle: There are no more excuses.

Again, I thank Chairman ROTH for his insight and leadership on this important issue, and I urge my colleagues to support final passage of this bill. I urge President Clinton to sign it.

One last thing, and that is, when you have a $4.3 trillion surplus in the budget, you know darn well somebody is being taxed too much. Why can't we at least solve these inequities that are literally calling out to us for a solution? Why can't we make it clear that being married should not be a disadvantage to couples? Why don't we make it clear that we are going to treat married couples just as well as those who live together and are not married, who don't pay as much in taxes today?

These three families illustrate this as well as I think we can illustrate it. Why should the Allen family and the Brown family pay $9,222, while the Campbell-Clark family, just because they live together—each of them single, and each of them earning $40,000—why should they get a tax bill of $1,300 less than the other two families?

I urge the President to sign this bill. I think it is the right thing to do.

Mr. President, I yield the floor.

The PRESIDING OFFICER. The Senator from Idaho.

## PRAYERS AND THOUGHTS FOR SENATOR PAUL COVERDELL

Mr. CRAIG. Mr. President, before I deliver my remarks on the marriage tax penalty, for just a moment, let me say that our colleague, PAUL COVERDELL, is struggling at this moment. Our prayers and thoughts are with him and his wife Nancy as he struggles with his health in an Atlanta hospital. He is a champion of the issue of the marriage penalty tax relief.

## MARRIAGE PENALTY TAX RELIEF

Mr. CRAIG. Mr. President, certainly, KAY BAILEY HUTCHISON, our colleague from Texas, has led us on the issue of the marriage penalty tax. I think probably she has sensitized all of us to it as only a woman can. I mean that in the sense of understanding the true balance that ought to be in this Tax Code that isn't in the Tax Code. She has